



SARAWAK CONSOLIDATED INDUSTRIES BERHAD

(Registration No.: 197501003884 (25583-W))

(Incorporated in Malaysia)

1. INTRODUCTION

The Board of Directors of Sarawak Consolidated Industries Berhad (“**SCIB**” or “**Company**”) wishes to announce that SCIB Industrialised Building System Sdn Bhd. (Registration No.: 200101019137 (554894-A) (“**SIBS**”), a subsidiary of SCIB, and Sasoakai Resources Sdn. Bhd. (Registration No.: 201701035469 (1249640-T), a joint venture partner of SIBS, had on 26 July 2021 accepted a Letter of Award and Acceptance (“**LOA**”) for an engineering, procurement, construction and commissioning (“**EPCC**”) contract. The parties had on 5 February 2021 entered into a Joint Venture Agreement in relation to the maintenance of roadworks contract in the state of Terengganu on a concession basis for the tenure of 2021 to 2026.

2. DETAILS OF CONTRACT AWARDED

The details of the above contract awarded are as follows:

Contract Title	Client	Expected Duration	Segment	Country
Kontrak Penyelenggaraan Jalan-Jalan Negeri Di Negeri Terengganu Darul Iman Bagi Tahun 2021-2026. – Pakej 2 (Zon Selatan)	Jabatan Kerja Raya, Kerajaan Terengganu	1 August 2021 to 31 July 2026 (5 Years)	Construction/ EPCC	Malaysia

The estimated contract value of the contract awarded is RM138,499,602.60 (Ringgit Malaysia: One Hundred Thirty-Eight Million Four Hundred Ninety-nine Thousand Six Hundred and two and Sixty cents Only)

The formal agreement for the abovementioned contract shall be executed in due course.

3. FINANCIAL EFFECTS

The contract secured will not have any effect on the issued share capital and the shareholdings of substantial shareholders of the Company. The contract secured is not expected to have any material effect on the net assets of SCIB and its group of companies (“**SCIB Group**”) for the financial year ending 30 June 2022. Any profits attributable to the Group would be realized in stages over the tenure of the contract based on the progress of the project. The contract secured is expected to contribute positively to SCIB Group’s future earnings over the duration of the contract.

4. RISK FACTORS

The contract is subject to normal business risk such as construction risk, increase in cost due to any escalation of material costs, availability of skilled manpower, materials and contractual terms including default provision and subcontractors’ performance. However, SCIB will put in place control measures and operational procedures to mitigate the risks.

5. DIRECTORS’ AND MAJOR SHAREHOLDERS’ INTEREST

None of the Directors and/or major shareholders of the Company and/ or person connected with them have any interest, direct and/or indirect, in the contract.

6. STATEMENT BY DIRECTORS

The Board of Directors of the Company is in the opinion that the above contract is in the ordinary course of business and is in the best interest of the SCIB Group.

7. APPROVALS REQUIRED

The contract is not subject to the approval of the shareholders and/or any regulatory authorities.